



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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M/031/003

November 15, 1995

CERTIFIED RETURN RECEIPT
P 074 978 969

Steven Evans
SLC Environmental
1902 Mary Dott Way
Salt Lake City, Utah 84106

Re: Notice of Non-Compliance, Unico, Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Evans:

This letter is sent to notify you, that your mining operation, or portions thereof, is not in compliance with certain sections of the Utah Mined Land Reclamation Act 40-8-1 et seq. and the Minerals Reclamation Program Rules R647-1 through R647-5.

Finding of Non-Compliance

Specifically, you have failed to file a *complete* Notice of Intention to commence mining operations, as required by the Utah Mined Land Reclamation Act, Title 40-8-13(1)(a), and Section R647-3-101.1 of the Minerals Rules.

On August 24, 1994, the Division received your Notice of Intention to commence mining operations at the Deer Trail Mine (previously permitted under Ecology Mining Company). After reviewing the Notice and conducting a site inspection on August 26, 1994, we determined that your application was incomplete and the operation did not meet the criteria for a *Small* (< 5 acre) mining operation. Onsite investigations identified approximately 6.8 acres of surface disturbance. We forwarded our review comments to you on October 21, 1994, which included the requirement to file a Notice of Intention to Commence Large Mining Operations.

On December 9, 1994, the Division sent a reminder that we had not received a response (written or verbal) to our October 21, 1994 review letter, and a deadline of January 6, 1995, was established for our receipt of your response. On March 3, 1995, the Division was notified that you were unaware that a response to the Division's review had not been made and you requested a meeting with the Division on March 6, 1995. At this meeting, a proposal was made that Mineral



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Resources, Inc. (Mr. Elli M.A. Mills represented Mineral Resources, Inc. at this meeting) would permit the upper (patented claims) portion of the site and UNICO would permit the portion on Forest Service lands. Another meeting was scheduled for March 14, 1995, at which time detailed site development plans would be presented. This second meeting was postponed so that you and Mr. Ellis could collect additional data and prepare the respective notices. To date, you have not contacted the Division in followup, nor has the Division been able to contact you.

Location of Non-Compliance

The specific location of the non-compliance is in the SW1/4 SW1/4 NW1/4 of Section 12, SE1/4 SE1/4 NW1/4 of Section 11, and the NW1/4 NE1/4 of Section 13, Township 28 South, Range 4 West, SLBM, Piute County, Utah.

Mitigation Requirements

You are hereby directed to suspend mining related activities and commence immediate reclamation of the site, or complete the permitting process which is presently incomplete. Because the total surface disturbance on the property presently exceeds five (5) acres (current disturbance is @6.8 acres), it must be categorized as a large mining operation. In order to continue mining activities at this site in its present condition, you must submit an interim reclamation surety of \$17,000 (\$2,500 X 6.8 acres) and complete and return a Notice of Intention to Commence Large Mining Operations (application enclosed) within thirty (30) calendar days of your receipt of this letter. Mining activities must remain suspended until the Division approves of your large mining permit application or until we receive the interim surety. The interim surety will be adjusted to reflect actual reclamation costs prior to final approval of the large mining permit.

An alternative to filing a large mining permit application would require you to commence immediate reclamation of the affected areas to reduce the surface disturbance to five (5) acres or less and complete the outstanding small mining operations permitting process. You must still post the interim reclamation surety of \$17,000, which will be released once the Division has determined that the small mining notice is complete and the requisite reclamation has been completed. Should you choose this option, we request that you contact the Division immediately concerning development of a reclamation plan for the site. You will also need to advise us as to the type/form of interim reclamation surety you choose to post so we may forward the proper forms to you.

Reclamation activities must be completed no later than December 15, 1995, unless you choose to pursue a large mining permit from this office.

Consequences of Continued Non-Compliance

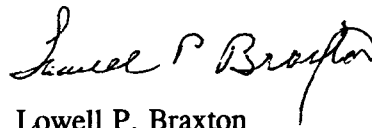
Your failure to comply with these requirements within the time frame as set forth in this Non-Compliance Notice, will force us to issue a Notice of Agency Action. A formal Notice of

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Agency Action will require that you appear before the Board of Oil, Gas and Mining (Board). The Board, after notice and public hearing, may enter an Order finding you in direct violation of the Act and its interpretive rules. Appropriate enforcement action, as provided for under the Act and Utah law, may be levied against you. A finding of willful or knowing violation (section 40-8-9(1) of the Act) could result in civil penalties being assessed not to exceed \$10,000 a day for each violation.

If you have questions or concerns regarding this action, please contact me, Wayne Hedberg or Lynn Kunzler of the Minerals Reclamation Program at your earliest convenience.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

jb

Enclosures

cc: Ray Brown, Unico, Inc. P. O. Box 777
Magalia, California 95954
Steve Winslow, US Forest Service, Beaver Ranger Dist.
Tom Mitchell, Assistant Attorney General
Minerals staff (route)

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